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September 20, 2011

VIA ELECTRONIC FILING

Ms. Cynthia Brown
Chief, Section of administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

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RE: ***Canexus Chem. Canada, L.P. v. BNSF Railway Company,***
STB Docket No. FD 35524

Dear Ms. Brown:

This letter responds on behalf of BNSF Railway Company ("BNSF") to correspondence from counsel for Canexus Chemicals Canada, L.P. ("Canexus") to the Board in the above-referenced matter dated September 14, 2011 and September 19, 2011. In its September 14, 2011 letter, Canexus advised the Board that Board-sponsored mediation among BNSF, Canexus and Union Pacific Railroad Company ("UP") had not produced a resolution of the issues raised by Canexus' Request for an Order Compelling Establishment of Common Carrier Rates, filed on May 25, 2011. Canexus therefore asked the Board to renew formal consideration of Canexus' May 25, 2011 Request and to issue a decision before September 30, 2011, the then current expiration date of BNSF's existing common carrier pricing authority covering the Canexus traffic at issue.

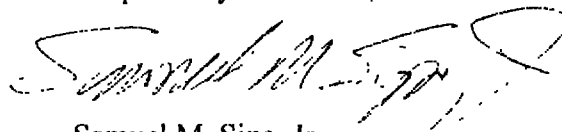
In its September 19, 2011 letter, Canexus advised the Board that Canadian Pacific Railway Company ("CP") had recently established a common carrier rate for transportation of Canexus's chlorine from North Vancouver, British Columbia to Kansas City, MO, thus providing Canexus with an alternative for service that Canexus has requested from BNSF. However, Canexus argued that the Board should still order BNSF to establish an alternative common carrier rate to Kansas City for interchange with UP because "it makes absolutely no economic sense for Canexus to consider this [CP] alternative," given the level of the rate established by CP. September 19, 2011 letter at 2.

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By this letter, BNSF is advising the Board that it will extend BNSF's existing common carrier pricing authority for transportation of Canexus's chlorine to Kansas City until October 15, 2011 for the Board's convenience in considering Canexus's May 25, 2011 Request. However, Canexus's September 19, 2011 letter to the Board confirms that Canexus has an alternative to BNSF to move its chlorine to Kansas City when BNSF's common carrier pricing authority expires. Therefore, there is no need for the Board to issue a decision prior to the new October 15, 2011 expiration of BNSF's common carrier authority or on the expedited basis that Canexus has suggested.

Moreover, CP's establishment of a common carrier rate for service from North Vancouver to Kansas City is an important factor for the Board to consider in addressing Canexus' request that BNSF be compelled to establish an alternative common carrier rate for comparable service. Canexus now has available service to Kansas City from a Canadian railroad with access to Canexus's chlorine production facility in North Vancouver, BC. The issue in this proceeding is whether BNSF satisfied its common carrier obligations by establishing a common carrier rate for transportation of Canexus's chlorine to Portland, OR and Spokane, WA for interchange with UP. BNSF's decision to provide only a short-haul service for Canexus's chlorine destined to Kansas City must be judged in light of all relevant circumstances, including the fact that another carrier is willing to provide the long-haul service from North Vancouver to Kansas City and has established a rate for such transportation.

Respectfully submitted,



Samuel M. Sipe, Jr.
Counsel for BNSF Railway Company

cc: Counsel for Canexus and Union Pacific
Joseph H. Dettmar, STB Office of Proceedings